



BEYOND THE GAMES

“Assessing the Impact of the 2002 Olympic Winter Games and the Future of Utah Tourism”

Jon Kemp, Research Coordinator
September 20, 2002
Utah Division of Travel Development



“We briefly doubled your population, you forever doubled our spirit. Thank you Salt Lake.”

VISA Advertisement



OLYMPIC GLORY!



“These were the **fun** Olympics, the **safe** Olympics, the **friendly** Olympics, the **compact** Olympics, the **demographically blessed** Olympics, and the **telegenic** Olympics...

... But these were also the **sour grapes** Olympics with protested results, manipulated judges, threatened withdrawals, angry email messages, and new-age doping techniques. . . .

... For most Americans, these were the Winter Games that worked. **Ultimately, the Salt Lake Games conferred upon the Olympic movement a modern blueprint for how to run a Winter Games that are cozy, attractive to a younger audience and with significance and sizzle.**

-- Excerpts from New York Times columnist Bill Pennington
“**Riveting Sports and Angry Backlash**” February 24, 2002

Olympic Visitor Estimates

Utah!
Where ideas connect

220,000 TOTAL VISITORS

- 90,000 Domestic Visitors
- 15,000 International Visitors
- 64,000 Sponsors & Guests
- 15,000 Olympic Organizations
- 15,000 News & Media
- 15,000 Security Personnel
- 6,000 VIPs



Olympic Business Tradeoffs



BOOM

- Hotels
- Restaurants
- Retailers: especially Olympic Vendors & Made-in-Utah Products
- Olympic Travelers

BUST

- Business Services
- Finance, Insurance & Real Estate
- Ski Resorts
- Transportation
- Construction
- Business & Ski Travelers

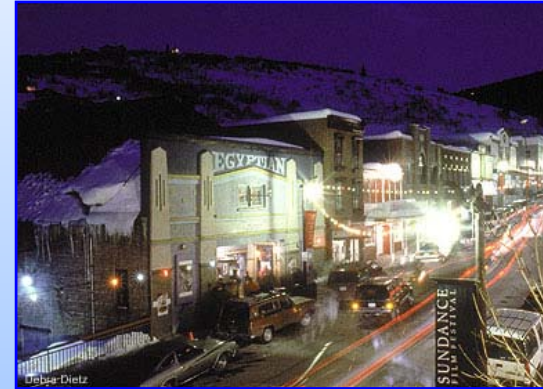
HOTSPOTS: Olympic Venues, Park City & the Downtown Olympic District

EMPTY: Businesses outside Downtown Olympic District



Olympic Business Tradeoffs

During the first quarter of 2002, there is evidence of a strong overall boost in tourism activity with some tradeoffs.



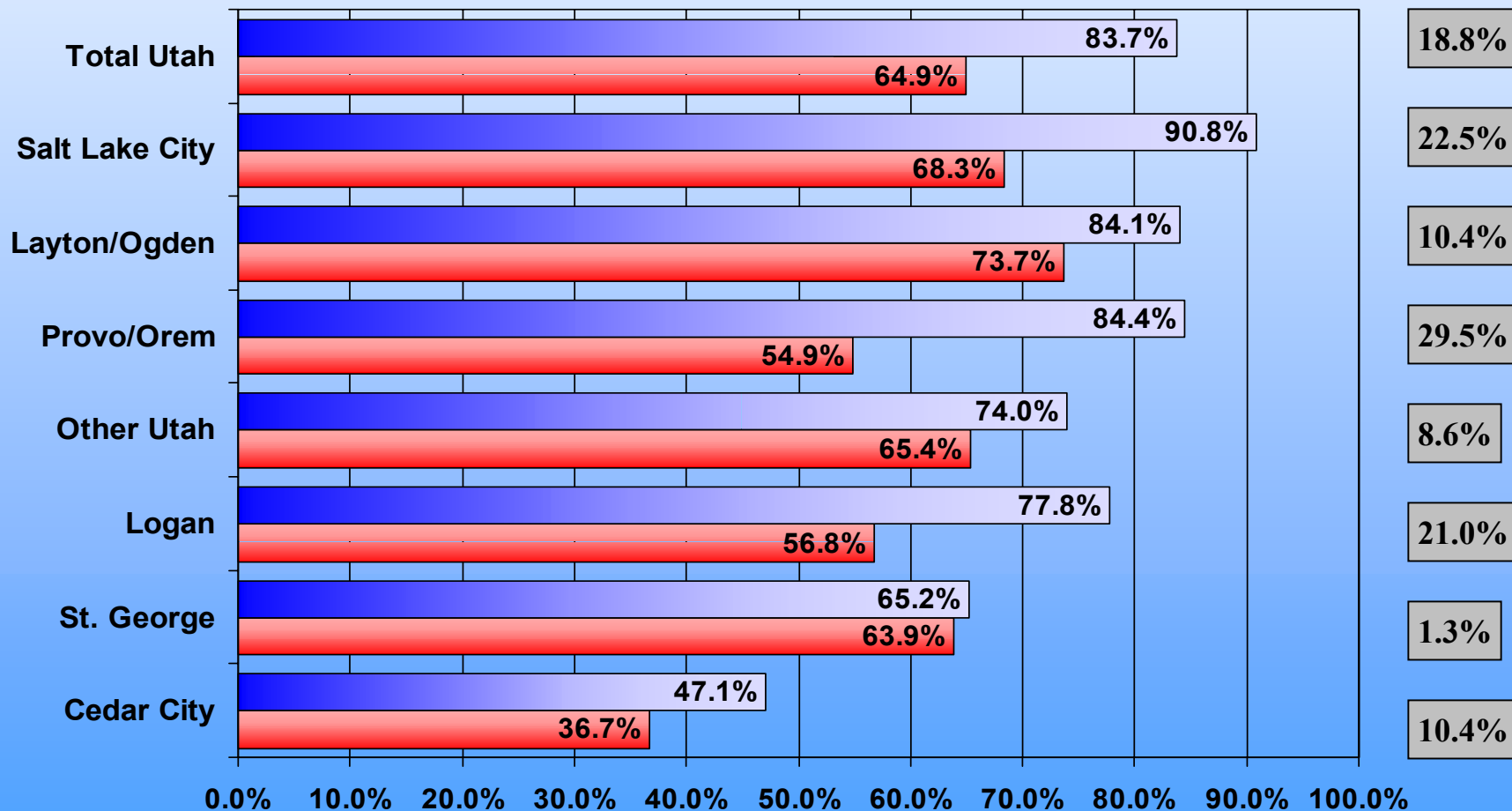
VOLUME INDICATORS	
INDICATOR – 1 st Quarter 2002	% CHANGE
Salt Lake Int'l. Airport Passengers	-6%
Utah National Parks	+30%
Utah National Mon. & Rec. Areas	-6%
Utah State Parks	+42%
Utah Skier Days	-9%
Utah Welcome Centers	+11%
Stateline Interstate Traffic	+8%
Statewide Hotel Occupancy Rate	+4%
Utah.com Website Visitors	+108%

GROSS TAXABLE SALES	
SECTOR – 1 st Quarter 2002	% CHANGE
Transportation	-25%
Eating & Drinking	+6%
Auto Rentals	-15%
Hotels & Lodging	+31%
Amusement & Recreation	+1%
TOTAL TOURISM SECTOR	+5%

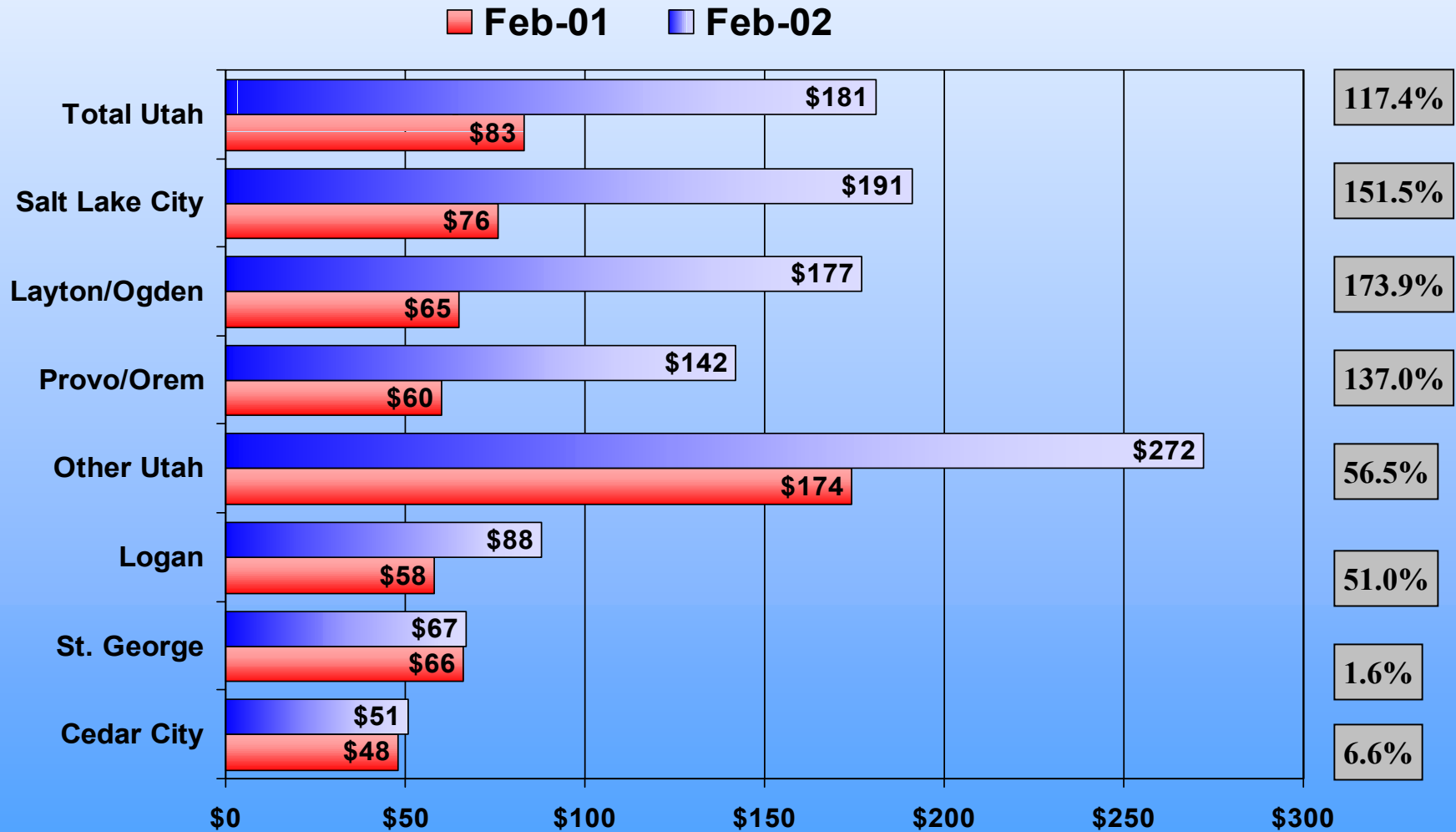
Lodging Occupancies



■ Feb-01 ■ Feb-02



Lodging Room Rates



Unprecedented Marketing Success



The 2002 Olympic Winter Games established marketing-related records in the areas of broadcast, ticketing, and sponsorship

- 2.1 billion viewers in 160 countries and territories amassed 13.1 billion viewer hours
- More than 1.5 million tickets were sold, representing 95% of the available tickets
- The OPUS local sponsorship program generated a total of \$876 million for SLOC and the U.S. Olympic Committee



Media Themes



Before

Security

Finances

Mormons

Visitor Guide

(Accommodations, Tickets,
Restaurants, Attractions)

During

Athletic Performances

Skating Controversy

Athlete Diversity

Doping

Political Antagonism

Fashion (Roots, Berets)

Advertisers/Marketing

Business Environment

After

Operational Success

(Financial Surplus, Transportation,
Technology, Security, Venues)

Economic Impact

Doping

Mitt Romney

Athlete Endorsements

Volunteers

Olympic Legacy



Television Audience

***2.1 billion viewers worldwide watched coverage of the Games
an average of 6 hours and 15 minutes!***

OLYMPIC BROADCAST COMPARISON

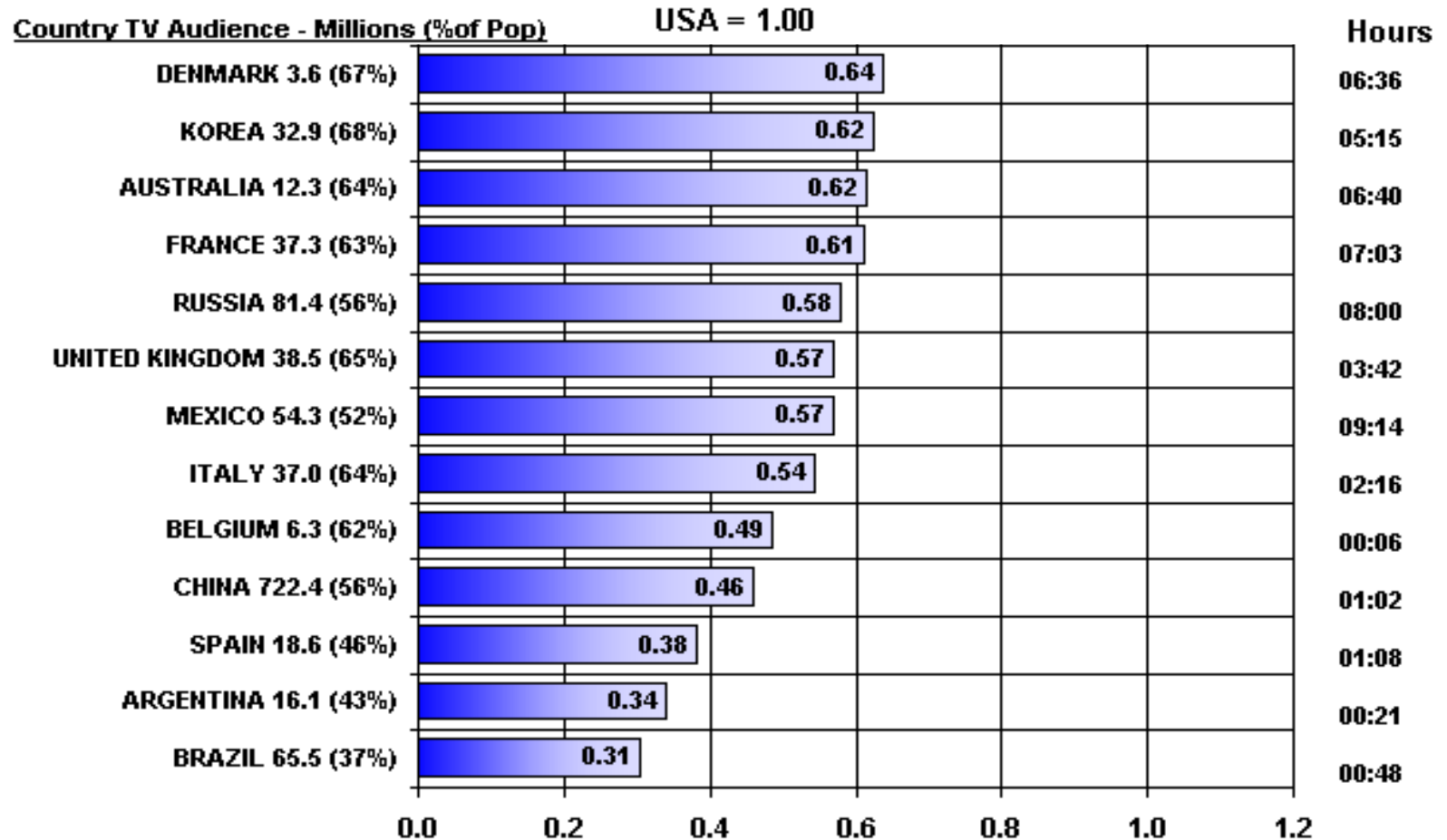
(Indexed by Audience Market Share & Hours of Viewing)

<u>Country TV Audience - Millions (%of Pop)</u>	USA = 1.00	<u>Hours</u>
NORWAY 3.6 (79%)	1.12	28:42
FINLAND 4.3 (83%)	1.03	22:15
CANADA 27.6 (88%)	1.02	19:13
UNITED STATES 177.5 (64%)	1.00	28:55
SWEDEN 7.8 (89%)	0.98	16:43
CZECH REPUBLIC 9.4 (92%)	0.94	13:00
JAPAN 102.1 (80%)	0.94	17:43
POLAND 25.5 (66%)	0.87	20:20
GERMANY 70.5 (85%)	0.86	10:51
SWITZERLAND 6.2 (85%)	0.85	10:35
NETHERLANDS 13.9 (87%)	0.83	08:31
AUSTRIA 6.4 (79%)	0.79	10:05

Television Audience

OLYMPIC BROADCAST COMPARISON

(Indexed by Audience Market Share & Hours of Viewing)



Television Audience



U.S. Highlights

- Total audience of 187 million viewers watching 27 hours of Olympic coverage
- NBC out-performed all other networks combined with its prime-time slot. Rating average 149% above regular network programming
- Olympic “halo” boosted ratings for other programs (Today Show, Dateline, Nightly News, Tonite Show, and NBCSports)
- Huge Cable Audience (1.7 million per day)
 - CNBC tripled average audience
 - MSNBC quadrupled average audience



Global Highlights

- Men’s Gold Medal Hockey achieved highest ever TV audience in Canada
- Eurosport reported total audience of 132 million viewers (more than the 1998 world cup)
- Late night women’s curling in the U.K. attracted the same audience as FA Cup Final (1st Division Soccer)
- German viewership tripled Nagano Games with regular audiences of more than 10 million a night
- More than 100 million viewers from Japan watched 17 hours each even with the unfavorable time zone



Print Audience



- Estimated value of print media exposure during the Games:
\$22.9 million (tourism themes only)
 - \$22.0 million – National and Syndicated stories
 - \$89,100 – Features from Sport's Illustrated "Dailies"
 - \$89,800 – USA Today stories
 - \$420,300 – US Daily Newspapers from major markets
 - \$367,600 – Southern Utah stories

2001 Pre-Olympic Public Relations Campaign: 109.9 million impressions



Economic Rewards

TOTAL ECONOMIC OUTPUT FROM THE OLYMPICS \$4.8 BILLION



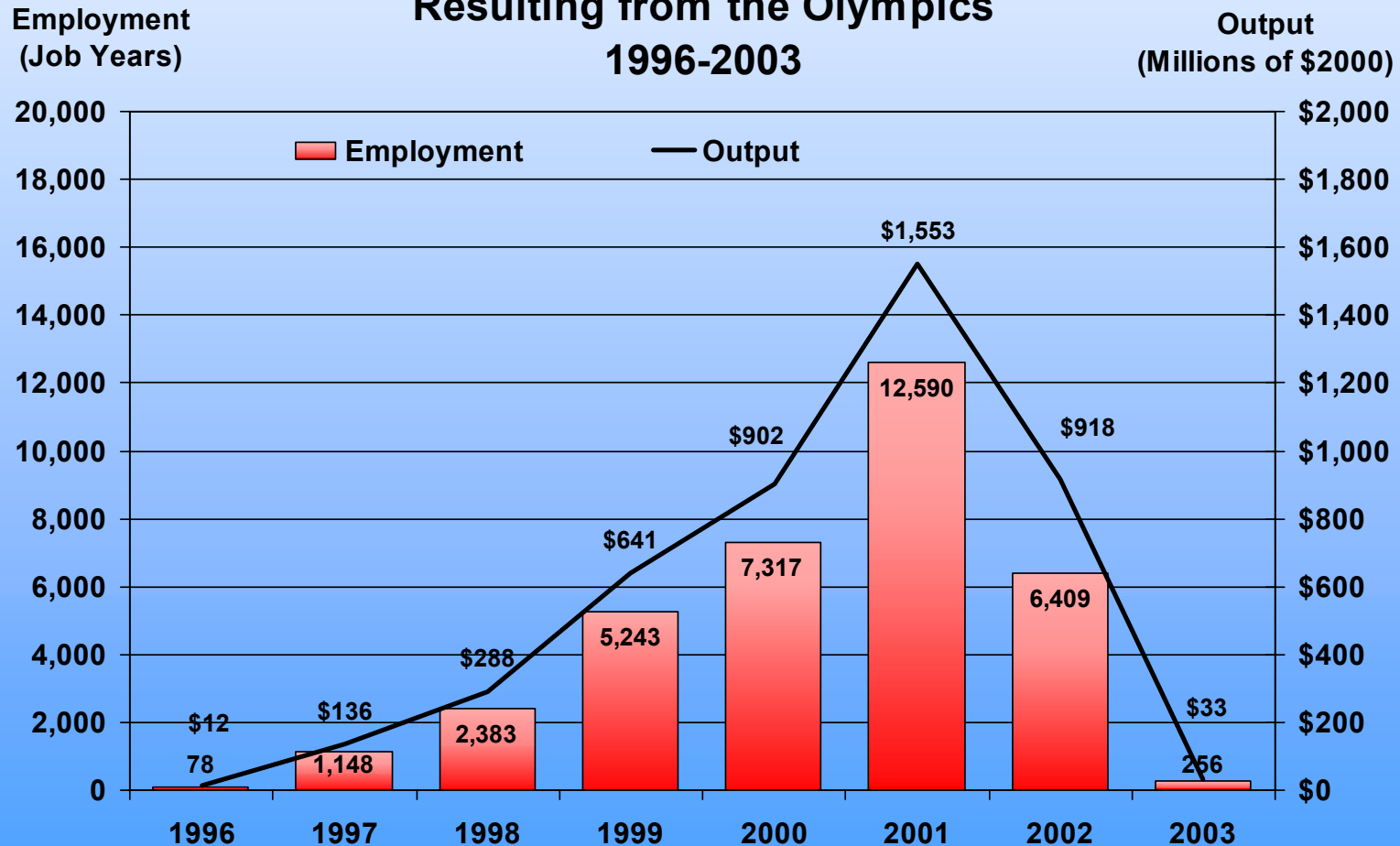
- Employment – 35,000 Job Years
- Income – \$1.5 Billion
- Infrastructure Investment – \$435 Million
- Visitor Spending – \$123 Million
- Net Revenue to State & Local Government – 76 Million

SALT LAKE OLYMPIC COMMITTEE BUDGET \$1.3 BILLION

SLOC finished with a \$100 million SURPLUS!

Timing of Economic Impacts

Employment & Output Impacts Resulting from the Olympics 1996-2003



Olympic Legacy

Distribution of \$100 million surplus



- **Utah Athletic Foundation** **\$72.0 Million**
Utah Olympic Park
Kearns Speedskating Oval
Soldier Hollow
- **Olympic Legacy Plazas** **\$10.2 Million**
Gallivan Center (Hoberman Arch)
University of Utah (Cauldron)
- **Charitable Donations** **\$11.5 Million**
- **Business Credits (USOC)** **\$7.0 Million**

Olympic Legacy

Utah!
Where ideas connect

- **Utah Olympic Park**
 - one of three bobsleigh tracks in North America
 - one of two ski jump facilities in the U.S.
- **Soldier Hollow**
 - new access road, water & irrigation systems
 - 28 kilometers of cross-country trails
- **University of Utah**
 - Olympic Village (3,500 student housing capacity)
 - Rice-Eccles Stadium (46,500 spectators)



Olympic Legacy

- **Utah Olympic Oval**
 - Fastest speed skating oval in the world
- **Transportation**
 - I-80 Silver Creek & Kimball Junction
 - Trappers Loop Road
 - Light Rail Lines
- **Lodging Market Expansion**
 - Increases in size and quality
- **Ski Resort Expansion**
 - Investment at all resorts



6 Lessons From Past Olympic Hosts

1) Context is Crucial!

Each Olympic Games occurs with a unique backdrop of political, social, and economic circumstances. The combination of circumstances, in addition to outside events, can greatly influence future tourism activity in an Olympic region.

2) Post-Games Marketing is Essential!

Increases in tourism cannot accurately be predicted based on either the success of the Games or the positive imagery generated by the media.

3) Economic Returns Don't Occur Equally!

Future tourism growth most likely occur in areas directly involved with the Games (host city and satellite venues). Outlying areas can be more successful if they can associate themselves directly with an Olympic area.



6 Lessons From Past Olympic Hosts

4) Clarify Leveraging Strategies!

Strategies are most likely to succeed if they are focused and well targeted. Holistic approaches can dilute limited resources and diffuse consumer messages.

5) Attempt Sustainable Development!

Olympic-induced development often creates significant excess capacity, which can temporarily undermine the stability of the host region. Normal growth patterns should be used to guide expectations and development.

6) Preserve Olympic Networks!

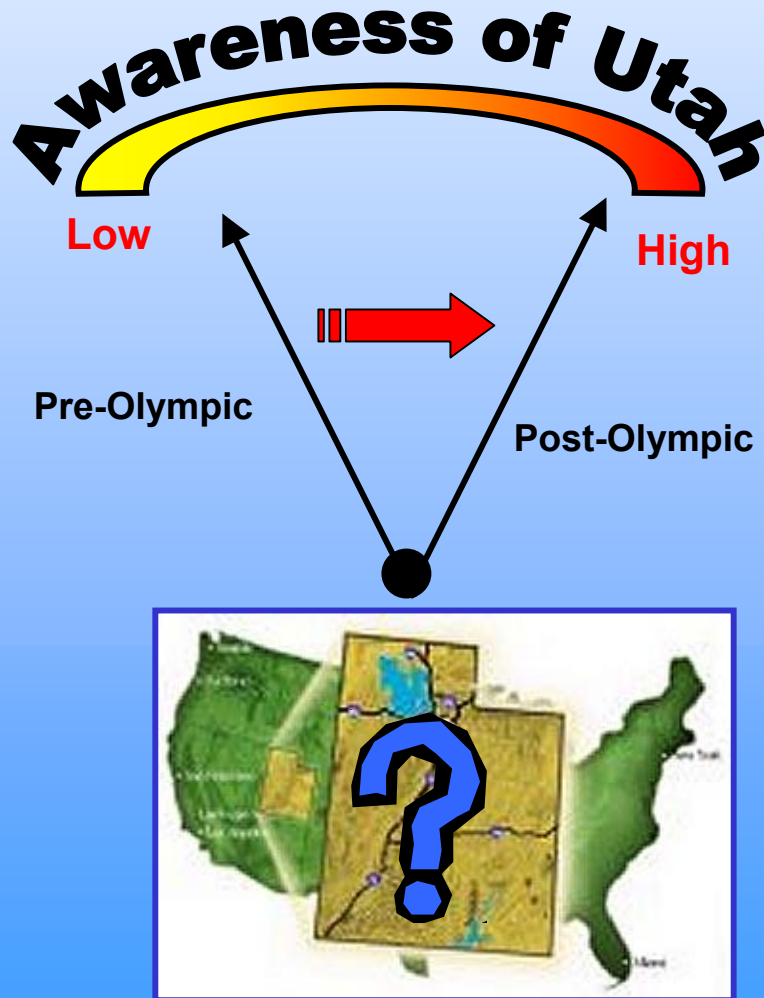
The same networks of people and organizations necessary for the successful presentation of the Games can also help leverage the success of the post-Games environment.



Changes in Utah's Domestic Image

Key Findings

- Utah's image improved slightly as a result of the 2002 Olympic Winter Games
- 7.1 million more adults say they are likely to vacation in Utah than before the Games
- Utah is more recognized today for its scenic beauty, mountains, winter sports, ski resorts, cleanliness, and friendly people after exposure through the Games
- A high quality workforce more recognized by executives around the country following the Games



Many Viewers Learn Specific, New, Positive Things About Utah



Positive (Net) 38%

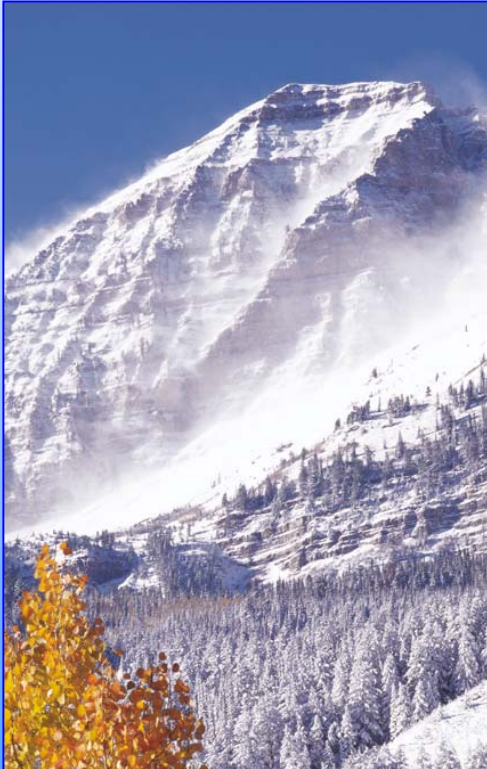
Beautiful scenery, Winter Sports,
Friendly People, Mountains, Ski Resorts,
Successful Games/Good Host City

Didn't Learn Anything New 39%

Miscellaneous Neutral 17%

Negative (Net) 6%

Top Reasons for Positive Image



Scenic beauty	29%
Mountains	13%
Good/friendly people	9%
Host to Winter Olympics	8%
Nice place to visit / live	7%
Good weather	6%
Skiing	6%

**All
positive
images
benefited
from
Olympic
exposure**

Top Reasons for Negative Image



Unfamiliar with Utah

27%

Have never been to Utah

13%

40%

**Lack of
Education**

Too cold / dry climate

16%

Mormons / religious influence

12%

Key Findings

- Strong potential for association of *Utah!* brand values of “Discovery & Recovery” with Olympic values and memories
- “Aspire & Inspire” are key leverage points in extending the Olympic Halo for the *Utah!* brand
- Window of opportunity is short – about 2 years



2002 Olympic Memories

- **Unity (after 9/11)**
- **Pride (Success of Athletes, Games, Volunteers)**
- **Patriotism (The American and Olympic Spirit)**
- **Passion (The Human Drama)**



Salt Lake City's Brand Image **(Versus Other Olympic Host Cities)**

Unique Strengths

- Friendliness**
- Success**
- Emotion**

Weaknesses

- Lots to See & Do**



Strategic Implications



1. **AWARENESS:** Positive shift in Utah's image related to existing strengths of tourism product and core quality of life issues
2. **AUDIENCE:** 7.1 million more American adults interested in vacationing in Utah
3. **MESSAGE:** Strong potential for linking Olympic emotions and memories with *Utah!* brand values
4. **DELIVERY:** Proven targeting and communications strategies that influence consumers



Our Olympic afterglow
covers about 85,000
square miles.

THE 2002 WINTER OLYMPICS are over, but our closing ceremonies each evening are as breathtaking as ever. Utah's winter playground now hosts warm winter games that everyone can play. Come take home some priceless memories that will never fade away.


Utah!
Where ideas connect.



Gold, Silver
and Bronze,
awarded nightly.

Lorum ipsum dolor sit amet, consectetur adipiscing elit, sed diam nonummy nibh, utismod tincidunt ut, lobet dolor, magna aliquam erat volutpat. Ut wisi enim ad elitam veritatis, quis nostrud exerci tation ullamcorper suscipit lobor- tis nisl, ut aliquip ex ea commodo consequat. Duis autem vel eum irure dolor in hendrerit in vulputate velit esse molestie

Utah!
utah.com



Closing Ceremonies
occur nightly. The
fireworks are up to you.

Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed diam nonummy nibh euismod tincidunt ut laoreet dolore magna aliquam erat volutpat. Ut wisi enim ad minim veniam, quis nostrud exerci tation ullamcorper suscipit lobortis nisl ut aliquip ex ea commodo consequat. Duis autem vel eum iriure dolor in hendrerit in vulputate velit esse molestie


Utah!
utah.com



The slalom gates are still here.
They're just called aspens.

*Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed diam nonummy nibh euismod tincidunt ut laoreet dolore magna
aliquam erat volutpat. Ut wisi enim ad minim veniam, quis nostrud exerci tation ullamcorper suscipit lobortis nisl ut aliquap
ex ea commodo consequat. Duis autem vel eum irure dolor in hendrerit in vulguate velit esse molestie consequat, vel illum*

Utah!
utah.com



Olympians aren't the
only ones to come here
in search of gold.

>Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed diam nonummy nibh euismod tincidunt ut laoreet dolore magna aliquam erat volutpat. Ut wisi enim ad minim veniam, quis nostrud exerci tation ullamcorper suscipit lobortis nisl ut aliquip ex ea commodo consequat. Duis autem vel eam iriure dolor in hendrerit in vulputate velit esse molestie

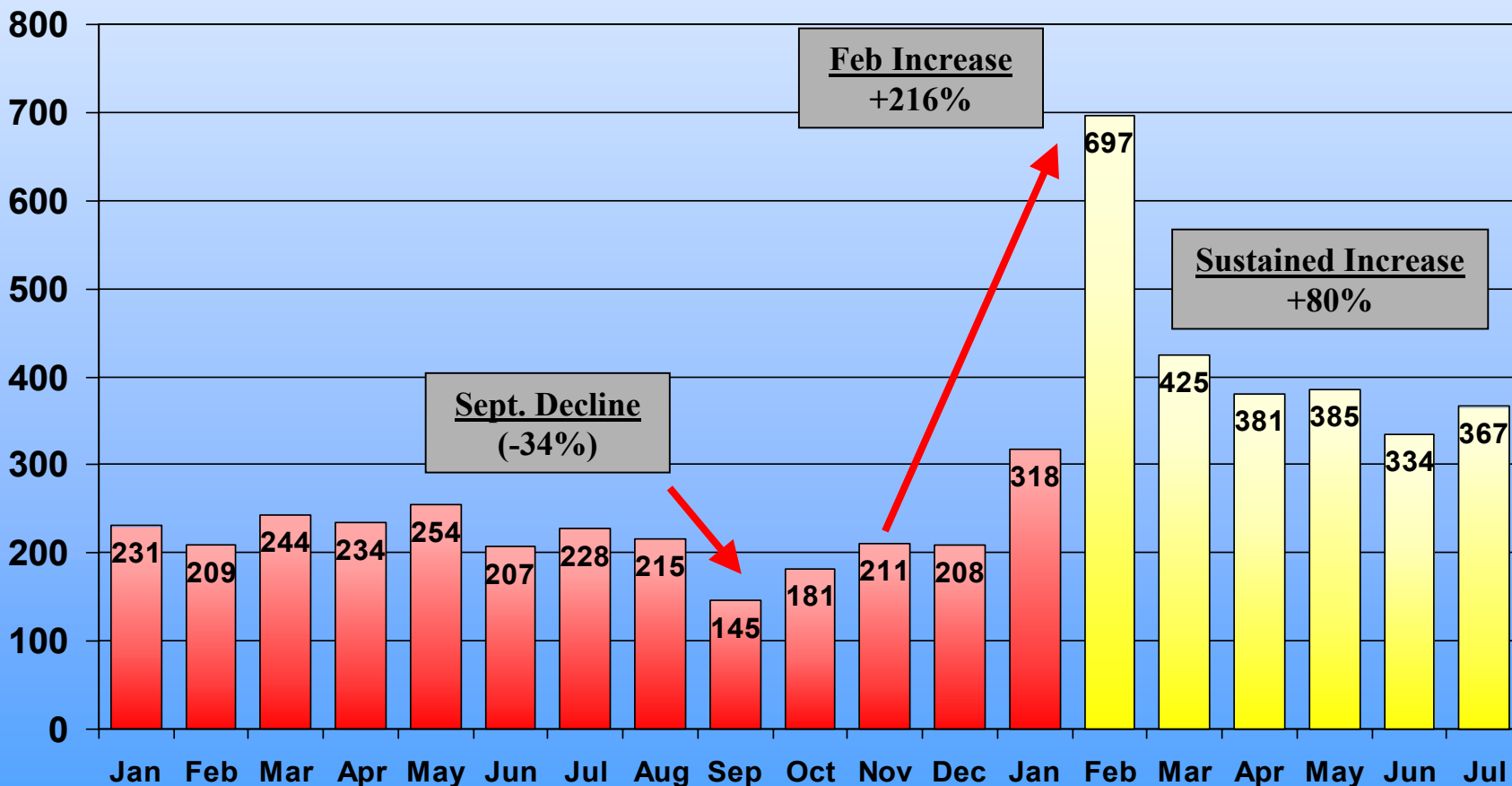
Utah!
utah.com

Sustained Interest in Utah



Monthly Internet Visits to Utah.com

Thousand



SOURCE: Utah.com

Utah Travel Trends



FACTORS IMPACTING TRAVEL

- Lingering post 9/11 jitters
- Lackluster economy
- Wildfires
- Drought
- Possible military action vs. Iraq

EFFECT ON TRAVEL BEHAVIOR

- Shorter trips
- Trips closer to home
- More auto travel
- Economizing
- Shortened planning horizon
- “Hot Deals”

VOLUME INDICATORS

INDICATOR – YTD 2002	% CHANGE
Salt Lake Int’l. Airport Passengers	-5% (Jul)
Utah National Parks	+3% (Aug)
Utah National Mon. & Rec. Areas	-12% (Aug)
Utah State Parks	0% (Jul)
Utah Welcome Centers	0% (Jul)
Stateline Interstate Traffic	+7% (Jul)
Statewide Hotel Occupancy Rate	+2% (Jul)
Utah.com Website Visitors	+68% (Aug)

*Year-to-date statistics suggest Utah tourism continues to grow on the heels of the 2002 Olympic Winter Games. **Cautious optimism abounds for the rest of the year.***

The Reality of Empowerment – Creating Connections with What Matters Most

1) Family Comes First

A trend underway for much of the past several years, the move to reconnect with family and build stronger relationships was accelerated after Sept. 11th. Opportunities exist for destinations to provide the ideal setting and activity mix for the perfect family vacation.

• True Leisure Restored

To compensate for the last few years of unfulfilled leisure and escape, expect travelers to place a higher value on relaxation and rejuvenation. In pursuit of these goals, travelers will demand a higher level of service and amenities.

3) Service. Service. Service.

Too much information abounds. Consumers need help to cut through the clutter of choices. Most consumers indicate a desire to be able to customize their experience and are willing to pay a premium for the service.

The Reality of Empowerment – Creating Connections with What Matters Most

4) Truth in Advertising

Consumers want real, genuine, and authentic. Unless destinations can dramatize their unique and differentiable qualities, consumers will buy based on price.

5) Balance

The disconnect between the lifestyle consumers say they want and the reality they live has spurred a movement toward greater introspection and life changes. Expect a greater emphasis on physical and spiritual renewal including history, culture, and heritage.

Look for travelers to increasingly seek out destinations that provide opportunities to re-connect with family, nature, heritage, and culture.



Contact Information...

Jon Kemp
Research Coordinator
Utah Travel Council
(801) 538-1317
Jkemp@utah.gov
www.utah.org/travel



Utah!
Where ideas connect